

INTRODUCTION

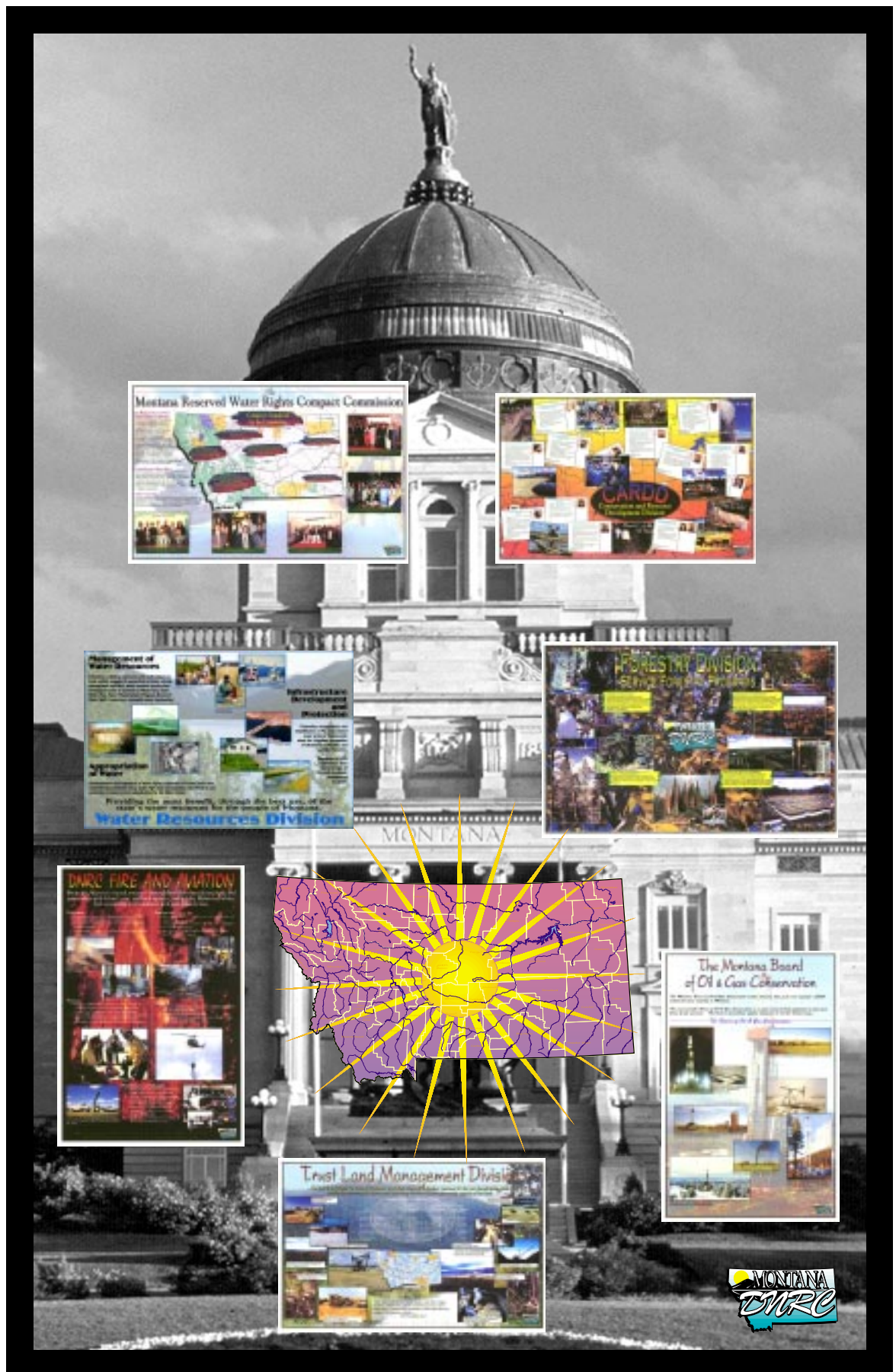


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INTRODUCTION

“Helping to ensure Montana’s land and water resources provide benefits for present and future generations” is the mission of the Montana Department of Natural Resources and Conservation (DNRC).

First established in 1971 as a result of the Executive Reorganization Act of 1971, the department provides leadership in managing the state’s natural resources. In 1995 the department was reorganized as part of the reorganization of Montana’s natural resource and environmental agencies. It is presently responsible for promoting the stewardship of Montana’s water, soil, forest, and rangeland resources; for regulating forest practices and oil and gas exploration and production; and for providing or ensuring the provision of reliable, affordable electrical energy to Montana consumers.

Department Organization

The director of the Department of Natural Resources and Conservation is Arthur R. “Bud” Clinch.

As shown in Figure 1, 10 boards and commissions are attached to the department. Seven of them — the Board of Land Commissioners, Reserved Water Rights Compact Commission, Board of Oil and Gas Conservation, Board of Water Well Contractors, Montana Grass Conservation Commission, Montana Power Authority, and Montana Agricultural Heritage Commission — have decision-making authority. The other three — the Resource Conservation Advisory Council, Rangeland Resources Committee, and Drought Advisory Committee — act in an advisory capacity only.

The department is organized into seven divisions:

- Centralized Services Division
- Conservation and Resource Development Division
- Forestry Division
- Oil and Gas Conservation Division
- Reserved Water Rights Compact Commission
- Trust Land Management Division
- Water Resources Division

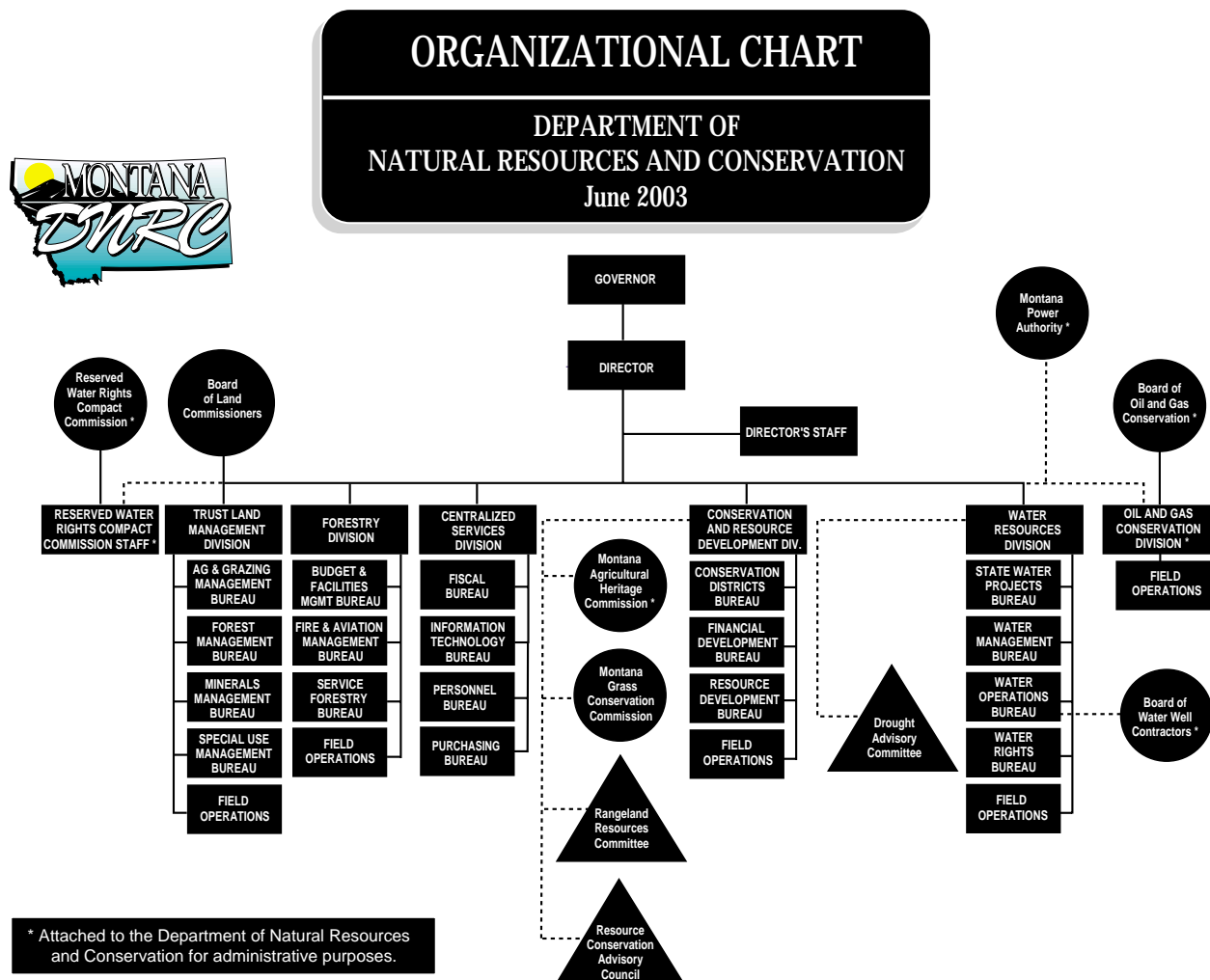
Two of the divisions — the Oil and Gas Conservation Division and the Reserved Water Rights Compact Commission — are attached to the department for administrative purposes only.



Arthur R. “Bud” Clinch, Department Director

PHOTO BY DAN BUSHNELL

Figure 1



Division Duties and Responsibilities



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Ann Bauchman, Division Administrator

Centralized Services

The Centralized Services Division provides administrative and operational support to all divisions. Support services include financial management, purchasing, data processing, personnel, legal, reception, and mail. The division coordinates information services and prepares publications and graphic materials for printing. Trust revenues are collected and distributed, and ownership records for trust and nontrust lands are maintained.

Conservation and Resource Development

The Conservation and Resource Development Division coordinates, supervises, and provides financial and technical assistance to Montana's 58 conservation districts, and it provides technical, financial, and administrative assistance to public and private entities to complete projects that put renewable resources to work, increase the efficiency with which natural resources are used, or solve recognized environmental problems. The division provides administrative support to the Montana Grass Conservation Commission and the Montana Agricultural Heritage Commission (which is attached to DNRC under a Memorandum of Understanding with the Montana Department of Agriculture). The division receives advice and guidance from two other attached bodies: the Resource Conservation Advisory Council and the Rangeland Resources Committee.



PHOTO BY DAN BUSHNELL

Ray Beck, Division Administrator

Forestry

The Forestry Division protects the state's forested and nonforested watershed lands from wildfire; provides aviation services; operates a nursery and provides shelterbelt, windbreak, wildlife habitat improvement, reclamation, and reforestation plantings on state and private lands; and regulates forest practices and wildfire hazards created by logging or other forest management operations on private lands.

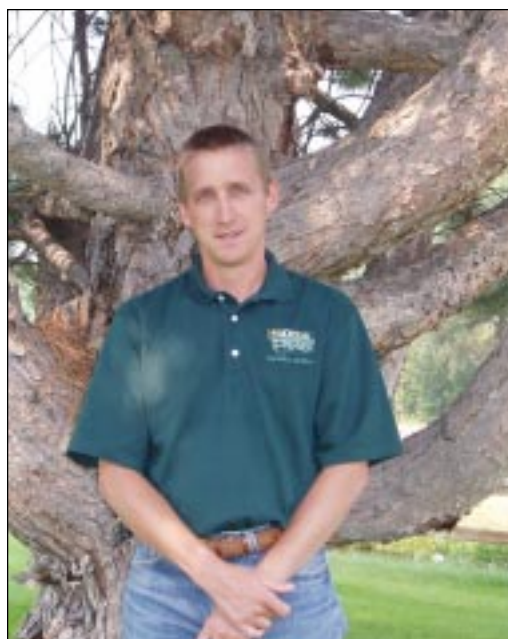


PHOTO BY CAROL HEATH

Bob Harrington, Division Administrator

Oil and Gas Conservation



PHOTO BY GEORGE HUDAK

Tom Richmond, Division Administrator

The Board of Oil and Gas Conservation and its technical support staff are attached to the department for administrative purposes. The quasi-judicial board is comprised of seven members consisting of industry representatives, landowners, and an attorney. They administer Montana's oil and gas laws and the federal Underground Injection Control Program to promote conservation and prevent waste in the recovery of these resources through regulation of oil and gas exploration and production. The board and its staff issue drilling permits; classify wells; establish well spacing units and land pooling orders; inspect drilling, production, and seismic operations; investigate complaints; conduct engineering studies; and collect and maintain complete well data and production information.

Reserved Water Rights Compact Commission



PHOTO BY DAN BUSHNELL

Susan Cottingham, Program Manager

The Reserved Water Rights Compact Commission, which is also administratively attached to the department, was created by the legislature in 1979 as part of the water rights adjudication effort. Commissioners are appointed by the governor, the attorney general, the speaker of the House of Representatives, and the president of the Senate. The nine-member commission and its support staff negotiate water rights with Indian Tribes and federal agencies to establish a formal agreement on the amount of water to be allocated to each interest.

Trust Land Management

The Trust Land Management Division is responsible for managing the surface and mineral resources of forested, grazing, agricultural, and other classified state trust lands to produce revenue for the benefit of Montana's public schools and other endowed institutions. The Board of Land Commissioners oversees the administration of the state trust land in Montana, as directed by the Montana Constitution. This board consists of Montana's top elected officials: the governor, superintendent of public instruction, secretary of state, attorney general, and state auditor.



PHOTO BY DAN BUSHNELL

Tom Schultz, Division Administrator

Water Resources

The Water Resources Division is responsible for many programs associated with the uses, development, and protection of Montana's water. The division also develops and recommends water policy to the director, governor, and legislature. The division consists of an administration unit and four bureaus: water management, water rights, state water projects, and water operations. Attached to the Water Operations Bureau is the 5-member Board of Water Well Contractors, a quasi-judicial board that can issue, suspend, or revoke licenses; promulgate rules and regulations; investigate complaints; and hold disciplinary hearings. The 21-member Drought Advisory Committee is also attached to the Water Resources Division.



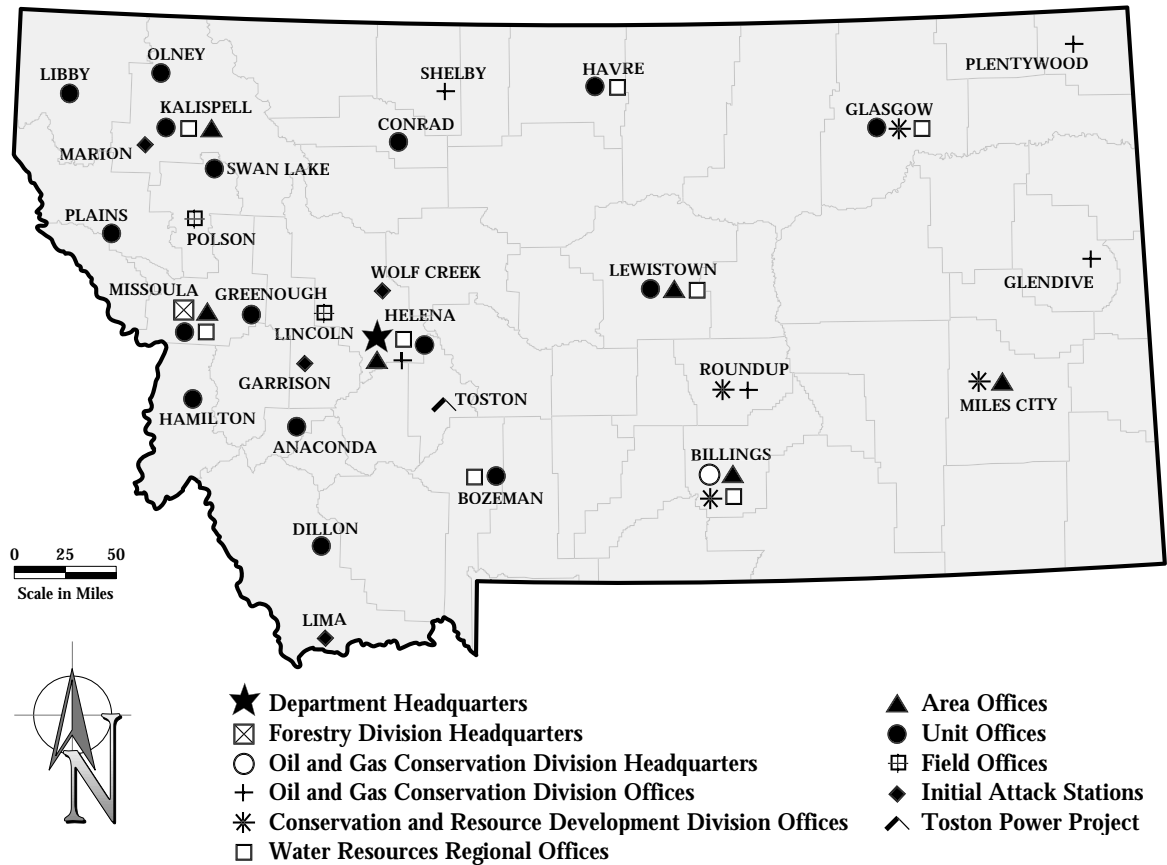
PHOTO BY DAN BUSHNELL

Jack Stults, Division Administrator

Field Offices

Although the department headquarters is located in Helena, the field operations for the department's programs are performed through field offices and personnel located in 29 different communities (see Figure 2). Included are both full time and seasonal employees from the Conservation and Resource Development, Forestry, Oil and Gas Conservation, Trust Land Management, and Water Resources Divisions.

Figure 2
Location of Department of Natural Resources and Conservation Offices



Financial Information

Table 1 presents budget and funding information for the Department of Natural Resources and Conservation for Fiscal Year (FY) 2003. Information on two of the department's funding sources, the Resource Indemnity Tax and the Coal Severance Tax, can be found in Appendix A.

Table 1 Department of Natural Resources and Conservation Budget and Funding in Fiscal Year 2003	
Category	Amount
EXPENDITURES	
Personal Services	\$24,575,363
Operating Expenses	25,823,838
Equipment	592,402
Capital Outlay	335,610
Local Assistance	221,000
Grants	11,479,124
Benefits and Claims	500,000
Transfers	389,169
Debt Service	882,627
TOTAL	\$64,799,133
FUNDING	
General Fund	\$17,148,181
State Special Revenue Fund	33,295,231
Federal Special Revenue Fund	12,851,325
Proprietary Fund	998,762
Non-Budgeted Private Fund	505,634
TOTAL	\$64,799,133

